

An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818

January 29, 2009

Members Present

Kay Ahina

Marvin Fong

Kathryn Inouye

Alexander Kane, Jr.

Marcia Klompus

Kenneth Marcus

Nelson Oyadomari

Alan Tamayose

Members Absent

Kevin Chong Kee, Chairman

Staff

Scott Chan

Lois Manin

Andrew Chang

Deborah Ishihara

Stephen Lee

Engel Garcia

Shawn Nagata

Liane Nakagawa

Shelly Shoji

Others

Randall Nishiyama, Deputy Attorney General Russ Saito, DAGS Comptroller Carl Clapp, UH Athletics Rosie Chang, Centerplate, Swap Meet Manager Curtis Lee

I. <u>CALL TO ORDER</u>

A quorum being present, Vice Chairman Kenneth Marcus called the meeting to order at 10:05 a.m.

II. APPROVAL OF MINUTES OF THE DECEMBER 18, 2008 MEETING

Member Marcus corrected page 4, first paragraph by replacing the word "existing" to "exciting."

ON A MOTION BY MEMBER AHINA TO ACCEPT THE MINUTES OF THE DECEMBER 18, 2008 MEETING, AND SECONDED BY MEMBER FONG, THE BOARD UNANIMOUSLY APPROVED THE MINUTES AS CORRECTED.

III. MONTHLY REPORT

A. Chairman's Report

None

B. Stadium Manager's Report

Stadium Manager noted that his staff has provided the Board with their reports and are present to answer any questions they may have.

Sheraton Hawaii Bowl - December 24, 2008

The game was very successful, with a total attendance of 42,000. Congratulations go out to the Sheraton Hawaii Bowl Executive Committee for attracting an outstanding team like Notre Dame to play against the University of Hawaii.

Pro Bowl – February 8, 2009

Stadium staff is busy preparing for the game on the 8th. The parking gates will open at 7:00 a.m. which will allow sufficient time to accommodate the anticipated large crowds.

New Hire – Stadium Engineer

Manager Chan was pleased to announce that approval was granted to hire a Stadium Engineer, effective February 6, 2009. He expressed his appreciation to his staff, as well as Comptroller Saito and the Public Works Division (during the absence of an engineer) for all the assistance he received.

Advertising Concession Contract

We anticipate the contract to be awarded very soon. Management has met with principals of the firm and do not foresee any problems.

Bid Reviews

Building Manager and Stadium Manager appreciated the invitation to join the selection committee for the hiring of a consultant for the next set of stadium renovation projects. It was an overwhelming experience for both.

Hawaii Tourism Authority (HTA)/Field Turf

The HTA is looking for options to fill the vacancy of Pro Bowl in 2010 and have had ongoing communications with Stadium Management. They are aggressively supporting international events, such as a soccer event for a period of two years. To meet some of their requirements, HTA is investigating the possibility of upgrading the Stadium field turf.

Stadium Contracts (Rental Fees Committee)

Being faced with tough times ahead, Management must look at different ways in which to do business with future clients. In this respect, Manager Chan has met with his staff and would like to share with the Rental Fees Committee some of their recommendations. There is a definite need to fill the open dates at the stadium. He noted a meeting will be scheduled the week after Pro Bowl with the Committee.

Member Marcus said the Committee was established a year or two ago and it is time to meet on the rental rates as well as the subject matters mentioned by Stadium Manager.

Legislative Session

Stadium requested a budget increase to cover: 1) An increase in fringe benefits for part-time employees, and 2) A \$75,000 machine to maintain the field.

Two Bills were introduced by Representative Mark Takai:

- 1. Transferring Aloha Stadium to the University of Hawaii
- 2. Move Aloha Stadium to another location.

Member Klompus requested that Manager Chan keep the Board informed of the current status of the Bills.

Member Ahina inquired why the Swap Meet does not appear on the front page of HTA's website. Manager Chan said he will look into that matter.

C. Approval of Events

i9 Sports Association
 Youth Football Goodwill Games
 March 14-15, 2009 (Saturday/Sunday)

Stephen Lee reported the Licensee has added March 14, 2009 as an additional event day to accommodate all of the scheduled games.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER INOUYE TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

 NVUS Entertainment LLC Hawaii Spring Break Concert (Lower Halawa Parking Lot) March 28-29-2009 (Saturday/Sunday)

Turk Cazimero was present to answer questions by the Board.

Member Klompus expressed concerns about the noise factor. Manager Chan advised that management will work with Licensee (and make adjustments) on the direction of the sound. Mr. Cazimero said they have equipment/devices that will address the sound.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

3. Fernandez Events LLC (EKF) 50th State Fair (2009) (Lower Halawa Parking Lot) May 21-25; May 29-31; June 5-7; June 11-14; June 19-21 (Fridays, Saturdays, Sundays)

Member Klompus inquired about the status of the proposed long-term contract by EFK. Manager Chan stated that the licensee is currently drafting another licensee agreement proposal.

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Member Ahina inquired why the rental rates were not mentioned on EKF's application. It was explained by Stadium Manager and Stadium ASO that there is a different arrangement with EKF because their equipment remains on property for an extended period of time and they are charged a daily storage rate.

A MOTION WAS MADE BY MEMBER OYADOMARI AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

Platinum Entertainment Group
 st Annual; Eight 08 Showdown Auto,
 Truck and Motocycle Expo
 (Lower Halawa Parking Lot)
 July 18, 2009 (Noon – 8:00 PM)

Promoter Ray Barrett was present to provide information on the event and answer questions by the Board.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

5. Pearl City High School Learning Center Oahu Marching Band Festival November 2, 2009 (Monday)

A MOTION WAS MADE BY MEMBER OYADOMARI AND SECONDED BY MEMBER INOUYE TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

6. Hawaii Union Builders' Foundation (HUB) High School All Star Football Game December 11, 2009 (Friday)

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER OYADOMARI TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

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7. The Prayer Center of the Pacific State-wide Prayer January 2, 2010 (Saturday)

A MOTION WAS MADE BY MEMBER OYADOMARI AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

8. Sports Car Club of America (SCCA)
Driving Skill Contest
July 12 & 26, 2009 (Sunday)
August 2 & 16, 2009 (Sunday)
September 20, 2009 (Sunday)

Curtis Lee was present to answer questions by the Board. He commented he is in favor of the repaving of the rest of the parking lot; also that he would be willing to contribute a donation.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER OYADOMARI TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

D. UHAD MONTHLY REPORT (UH)

Carl Clapp spoke on behalf of Jim Donovan.

UH is presently working out the details for their annual Spring Game and Ohana Festival with Stadium representatives.

The new turf at Ching Field (formerly Cook Field) was completed and will soon be turned over to UH.

2009 Football Schedule (partial update)

September 4, 2009 (Friday) - Central Arkansas September 12, 2009 - @Washington State September 19, 2009 - @ UNLV

September 26, 2009 - WAC (expect schedule in February, November 21, 2009 - 4-games @ Home; 4-games on the Road)

November 28, 2009 - Navy

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December 5, 2009 - Wisconsin

2010 Football Schedule (partial update)

September 4, 2010 - USC (the date may change due to TV Coverage)

E. CENTERPLATE/SWAP MEET MONTHLY REPORT (Report distributed)

A report on attendance figures was passed out, as requested by the Board.

Swap Meet Manager Rosie Chang presented her monthly report.

- The Swap Meet was closed on December 24, 2008, during the Sheraton Hawaii Bowl. Because it was a normal swap meet day, credit was issued to the vendors.
- Sales for the D, E, and F stall showed a decrease of 12.43%
- Sales for the A, B, and C stall showed a decrease of 17.63%
- Centerplate has negotiated a proposal by PCF Virtual
 Communications to become the Aloha Stadium Swap Meet's new
 marketing and advertising firm. Once the contract is finalized,
 PCF will begin the strategic marketing plans for the Swap Meet
 and also redesigning their website.
- The E &F Rows and driveway vendors who attained stalls over the last three months at the permanent lottery have moved into their new location(s) effective January, 2009. There are still some vendors who need to attain stalls for Saturday and Sunday.
- The Swap Meet will be hosting a food drive (through the Food Bank) on Sunday, February 22, 2009, which will allow buyers free admission by providing one canned good per person. A press release will be published to promote this event.

Member Fong inquired about a farmer's market. Ms. Chang said negotiations are ongoing, but they have run into a snag with reference to subletting. Member Inouye inquired if Centerplate has spoken to the KCC Farmers Market. Ms. Chang confirmed that they are speaking with them and the issue is that subletting is against Centerplate's rules.

<u>Member Klompus</u> suggested that Centerplate enter into a separate arrangement with the KCC Assn. in order to allow a farmers market at the Swap Meet.

Manager Chan said there are some legal issues in the contract between the Stadium and Centerplate concerning subletting which may need to be discussed with the Rental Fees Committee. Also, although subletting is not allowed at the Swap Meet, there has been unofficial reports that the rule is being violated by some vendors.

Member Klompus requested (for the February meeting) a report from Centerplate, showing a comparison of people entering the Swap Meet from December 2007 to December 2008. She said it is important for the Board to know what is the standard vs. slow periods for business at the swap meet.

IV. UNFINISHED BUSINESS – DISCUSSION AND APPROPRIATE ACTION

A. Aloha Stadium Swap Meet – Report from sub-committee on the new Aloha Stadium Swap Meet RFP.

Member Tamayose stated the Committee met once to discuss the draft and will be meeting again next week. He said their goal is to finalize the RFP by the end of February.

Member Marcus inquired, when the RFP is finalized, will it be presented at the February or March meetings.

Deputy Attorney General Randall Nishiyama stated everyone will learn of the RFP when it is finalized and published. Until then the RFP is to remain confidential.

Members of the Board expressed their concerns that the draft RFP would not be presented to them prior to it being finalized and published. Member Inouye quoted the minutes of the December meeting to read, "Comptroller suggested that the sub-committee create the RFP as soon as possible and make a presentation at the next meeting, with the intent that the finished product be available to the Board at the February meeting."

Members of the Board stated they were under the impression that at the presentation they would be able to incorporate their comments before the RFP was finalized.

Mr. Nishiyama advised the Board to amend the agenda.

IT WAS MOVED BY MEMBER INOUYE AND SECONDED BY MEMBER TAMAYOSE TO AMEND THE AGENDA OF THIS MEETING TO ESTABLISH THE PROCEDURES FOR THE ALOHA STADIUM SWAP MEET RFP. THE MOTION CARRIED UNANIMOUSLY.

IT WAS MOVED BY MEMBER INOUYE AND SECONDED BY MEMBER AHINA TO GO INTO EXECUTIVE SESSION AT THE FEBRUARY MEETING TO CONSULT WITH COUNSEL ON THE LEGAL ISSUES THAT MAY ARISE REGARDING THE DRAFT RFP FOR THE ALOHA STADIUM SWAP MEET CONTRACT AND TO CONSIDER COMMENTS BY THE BOARD MEMBERS REGARDING THE RFP; AND, DIRECT THE COMMITTEE TO CONSIDER THOSE COMMENTS. DIRECTING THE COMMITTEE TO SUBMIT A COPY OF THE DRAFT RFP TO THE BOARD IN CONFIDENCE PRIOR TO THE FEBRUARY MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.

Member Marcus said he would let the Committee decide in which form they will present the draft RFP to the rest of the Board Members. Member Inouye said she would like a copy of the entire RFP and that a summary sheet would be helpful. Member Oyadomari said the committee is meeting next week and will accommodate the requests.

Mr. Nishiyama informed the Members that they have stated the procedures that will be followed. In this instance, Board Members will receive (prior to the February meeting) a draft of the RFP. Board Members are to hold that draft in confidence. At the February meeting there will be an Executive Session to discuss in confidence the contents and Board Members will have the opportunity to discuss their comments regarding the RFP to the Committee and the Committee shall consider those comments in the final RFP.

Comptroller Saito earlier suggested going into Executive Session during today's meeting. Member Marcus suggested after the last item on the agenda, that they go into an Executive Session to obtain the status of what has been discussed at this point by the sub-committee.

B. Aloha Stadium Repair Work – Update from Comptroller Russ Saito on the Stadium repair project or any update involving Aloha Stadium.

Comptroller Saito provided an update on CIP projects, and the current biennium request before the Legislature.

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Comptroller Saito stated approximately two months ago Senator Fred Hemmings recommended that the Board direct him to find out what would be involved in lifting the deed restrictions to the Stadium property. He informed the Board, as of January 2, 2009, a Memorandum of Understanding (MOU) was signed by the Department of Interior, DLNR and the Comptroller that lays out the terms and conditions (if fulfilled) to lift the restrictions of the Stadium property and allow the property to be used for commercial as well as recreational purposes. Until such time as the Comptroller meets with the principals involved in the MOU, he is unable to make any presentations or send out a press release.

- V. <u>NEW BUSINESS DISCUSSION AND APPROPRIATE ACTION</u> NONE
- VI. <u>EXECUTIVE SESSION</u>

A MOTION WAS MADE BY MEMBER INOUYE, AND SECONDED BY MEMBER KLOMPUS TO GO INTO AN EXECUTIVE SESSION AT 12:00 NOON. THE MOTION CARRIED UNANIMOUSLY.

The meeting reconvened at 1:30 P.M.

VII. <u>NEXT MEETING - FEBRUARY 26, 2009</u>

VIII. ADJOURNMENT

1:30 P.M.

KENNETH B. MARCUS VICE CHAIRMAN

Recorded by: <u>Diana C. Ho</u>

Approval Date: <u>February 26, 2009</u>